DAILY NEWS

Sanitized - Approved For Release MAR 2 1964



Red Spies Are in the CIA, State Department: Defector

CPYRGHT

NEW YORK (AP) - The police has informed U.S. offi-New York Journal-American cials Moscow has placed active mous Alger Hiss case." reported Monday that a de- "cells" in the Central Intellifector from the Soviet secret gence Agency and the State Department.

> The newspaper said the defector is Michal Goleniewski, 41, a Polish-born agent. It said he was a high-ranking operative in Russia's KGB until his defection in 1961—and is sure the "cells" still are operating in the two high government agencies in Washington and overseas.

The Journal-American account said of the defector:

"He has named names. He has provided Washington with details of what looms as a

greater scandal than the fa-

THE STORY listed these disclosures said to have been made by Goleniewski:

-"Approximately \$1.2-million of CIA funds in Vienna recently was passed secretly along to the Communistsone-third to KGB (the Soviet secret police), one-third to the Italian Communist party and, one-third to the American Communist party,

-- "Three American scien-, tists with access to defense secrets are working for the KGB. They have ties to others in the same category whose identities are unknown to him. But he has clues to a number. of them.

"KGB has been able to infiltrate all American embassies in important cities abroad.